

## RECORD OF CHANGES

**DIRECTIVE No.**

3550.14

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FOREWORD

This order contains information on the basic rules and procedures for setting pay on personnel actions processed for Federal Aviation Administration employees who are subject to pay under the General Schedule. The provisions of this order are primarily derived from the Office of Personnel Management rules and regulations.



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## CHAPTER 1. GENERAL PROVISIONS

1. PURPOSE. This order provides the basic rules and procedures used within the Federal Aviation Administration (FAA) to set salaries and adjust rates for FAA employees who are paid under the General Schedule ((GS)).

2. DISTRIBUTION. This order is distributed to the branch level in Washington, regions, and centers with a standard distribution to field offices and facilities,

3. CANCELLATION. Order ~~PT P 3550.1A~~, Pay Under the Classification Act System, dated April 15, 1964, is **canceled**.

4a. EXPLANATION OF CHANGES. Implementation of the Civil Service Reform Act ((CSRA)) of 1978 and substantial changes to the Office of Personnel Management ((OPM)) rules and regulations made it necessary to update the FAA pay-setting order for **GS employees**.

a. Salary retention has been superseded by grade and pay retention. The grade and pay retention provisions are **outcomes** of the Civil Service Reform Act ((CSRA)) Of 1978. Basic regulations and procedures on grade and pay retention for FAA are in **Order 3550.11A**, Grade and Pay Retention Under the Civil Service Reform Act.

b. Under the highest previous rate rule, OPM regulations established a step-by-step **computation** to be used for **determining** the "maximum payable" rate for an employee.

5. DEFINITIONS. For the **purpose** of **applying** the rules contained in this order, definitions are provided for the following **words** and phrases, listed in alphabetical order.

a. Civil Service Reform Act ((CSRA)). Public Law **95-454** enacted in 1978 to reform the **civil** service laws,

be Demotion. A change of an employee while continuously employed from:

((1)) **One GS** grade to a **lower GS** grade, with or without reduction in **pay**.

((2)) A higher rate paid under a different pay system to a **lower** rate within a **GS grade**.

ca. Existing Rate of Basic Pay. The rate received immediately before the effective date of a transfer, **promotion**, **repromotion**, demotion, or within-grade increase.

d. Highest Previous Rate. The highest rate of basic pay previously paid to a ~~Federal~~ civilian employee occupying a ~~position~~ in any branch of the Federal Government (executive, legislative, or judicial) in the municipal government of the District of Columbia, or in a mixed ownership corporation, irrespective of whether or not the position was subject to the GS. The highest ~~previous~~ rate must be based on a regular tour of duty at such rate:

(1) ~~Under~~ an appointment not limited to 90 days or less,

(2) ~~For~~ a continuous period of not less than 90 days under one or more appointments without a break in service.

e. New Appointment. The first appointment, regardless of the tenure of appointment, as a Federal civilian officer or employee.

f. Promotion. The advancement of an employee while continuously employed, to a higher GS grade or from a lower rate paid under authority other than the GS to a higher rate of a GS grade.

g. Rate Of Basic Pay. The pay fixed by law or administrative action for the position held by an employee. It is exclusive of additional pay such as overtime, night or holiday premium pay, cost-of-living allowances, or post differentials.

h. Reassignment. A change without promotion or demotion from one position to another position while serving continuously in the same agency.

ia. Reemployment. Any employment, including reinstatement, or other type of appointment after a break in Federal Service of at least 1 full workday.

in. Repromotion. The advancement of an employee while continuously employed, to a higher GS grade formerly held by the employee or to a higher intermediate grade, or from a lower rate paid under authority other than the GS to a higher rate of a GS grade, based on the highest previous rate paid to the employee.

k. Salary. As used in this order, this term means the same as, and is used interchangeably with "rate of basic pay."

l. Special Minimum Rates. Higher entrance rates established by the OEM for one or more occupations, in one or more areas or locations, to overcome the Government's handicaps in the recruitment and retention of well-qualified employees. Special minimum rates are the first step rates of any special schedules (i.e., special rate ranges) established under this authority,

m. Special Rate Range. Range of rates for a particular occupation and grade contained in special schedules established under section 5303 of title 5, United States Code (USC).

n. Trainee Position. Any ~~position~~ specifically covered by an OPM approved training agreement providing for ~~promotion~~ upon successful completion of training OR any other position for which successful ~~completion~~ of a specified program of training has been formally established as a requirement for satisfactory service in the position or for advancement to the next higher level.

o. Transfer. A change of an employee from one branch of the Federal ~~Government~~ (executive, legislative, or ~~judicial~~) to another or ~~from~~ one agency to another without a break in service of a full ~~workday~~.

p. Unsatisfactory Service. Any service in a ~~position which~~ does not meet the standards of ~~satisfactory~~ performance established for the position and which results in either or both of the following:

(1) ~~The~~ initiation of an adverse action by proper authority.

(2) A performance rating of ~~"unsatisfactory"~~ under official ~~procedures~~.

CHAPTER 2a. ~~ROLES AND PROCEDURES~~

6. ~~ADMINISTRATIVE RESPONSIBILITIES.~~ Officials who are delegated the ~~authority~~ to effect personnel ~~actions~~ are also authorized to make salary determinations. Each official so authorized may ~~approve,~~ in individual cases, legally permissible exceptions to the general or specific rules of this order, whether in the interest of equity, or because of ~~recruitment~~ considerations, or for other reasons considered justifiable in relation to the needs of the FAA (~~FPM~~ chapter 530). ~~When~~ exceptions are authorized, the justification shall be ~~made~~ part of the record and filed in the affected employee's official personnel folder. The officials who authorize exceptions are fully responsible for ensuring that the exceptions ~~comply~~ with all legal ~~and~~ regulatory requirements that pertain to the personnel action.

7. ~~BASIC PAY.~~ Basic pay is compensation fixed by law or administrative action for the position held by an ~~employee.~~ It is exclusive of additional compensation such as overtime, night, ~~Sunday,~~ or holiday ~~premium~~ pay; ~~cost-of-living~~ allowances; or ~~post~~ differential. The basic pay for positions tier this order is usually set at the first step of the grade to which the person is initially ~~appointed.~~

8. ~~SPECIAL RATES FOR RECRUITMENT AND RETENTION.~~ Under section 5303 of ~~title 5, "SC, F.A.O.M.~~ is authorized to establish special ~~minimum~~ rates and special ~~rate ranges~~ where necessary to ~~overcome~~ significant handicaps in the recruitment and retention of well-qualified personnel, when these handicaps are caused by substantially higher salary rates paid by ~~private~~ enterprise for particular categories of positions.

a. Submitting Requests for Special Rates to the OPM.

(1) All requests for new special rates and adjustments to existing schedules must be ~~submitted~~ in triplicate to the Personnel Programs Division, APT-200, for review, ~~The OPM Worksheet for Review of Special Salary Rates (OEM Form 1397)~~ should be ~~used to submit~~ the data required to justify a new special rate ~~request.~~ Please note, ~~the OPM Form 1397 also should~~ be used to justify an annual adjustment to an existing authorization,

(2) Each request must ~~include~~ a certification that the special rates are necessary to ensure adequate staffing for the ~~accomplishment~~ of the ~~agency's~~ mission and that funds are available to cover the increased expenditures ~~for~~ salaries ~~and~~ benefits that ~~would~~ result ~~from~~ approval of the request,

(3) ~~Requests which cover fewer than 200 employees and which increase annual salary costs by less than \$200,000 may be certified by the Administrator.~~

(4) ~~All other requests must be certified by the Secretary. Requests will be forwarded to the Office of the Secretary of Transportation (OST) personnel office for evaluation.~~



(5) Approved requests will be forwarded **from OST** to the central office of the OEM.

b. Implementation of Special Rates. When special rate **ranges** ~~applicable~~ to FAA employees are **established** by the OPM, each **employee's** rate will be fixed in the special rate range at the **numerical** step in the special rate range which corresponds to his/her existing numerical step under the regular rate range.

c. Pay Retention. A **GS** employee who is subject to a reduction or termination of a **special** rate of pay is entitled to pay retention. The employee's pay will be set in accordance with the provisions of **Order 3550.114, Grade and Pay Retention Under the Civil Service Reform Act.**

9. HIGHER RATES FOR SUPERVISORS OF WAGE GRADE (WG) EMPLOYEES. A pay adjustment is allowable for a **GS supervisor** of **WG** employees. The adjustment is **conditioned** on continued supervision of the **WG** employees and is limited to the nearest rate of the **GS** supervisor's grade which exceeds the highest rate of basic pay paid to the supervised **NG** employees. The adjusted rate must not exceed the **maximum** rate of the **grade** currently held by the **GS** supervisor.

a. Responsibility.

(1) Higher rates for supervisors of **WG** employees must conform to the OPM regulations. Officials concerned must exercise judgment, particularly in applying the criteria contained in Federal Personnel Manual (FPM) Supplement 990-41, Part 531, ~~Subpart C, 531.305,~~ to individual cases.

(2) The **Personnel Programs** Division, Office of Personnel and Training, provides technical **advice** and guidance in the interpretation of regulations and the resolution of problem cases.

b. Basic Entitlement. A finding must be made that:

(1) **The** supervisor regularly has responsibility for supervision over one or **more WG** employees. (**This** must include supervision **over** the technical aspects of the **work**.)

(2) The rate of basic pay for the **supervisor** is less than the highest rate of basic pay for any **WG** employee **supervised**.

10. ~~SALARY ON REEMPLOYMENT~~ AFTER A BREAK IN SERVICE.

a. As a general rule, a **person** who is reemployed after a break in service is paid a salary based as closely as possible on the currently authorized rate for the grade and step last held prior to separation. **Under** no **circumstances** will an employee be paid less than any special minimum rate which may **have** been established for the **position** upon reemployment.

b. When a person is reemployed in a position to which a special rate range applies, the proper step rate will first be determined under the provisions of this paragraph without regard to the special rate range; the salary will then be fixed at the rate of the corresponding numerical step in the special rate range.

11. SALARY ON PROMOTION AND REPROMOTION. When previous service has not been held at a level equal to or higher than the grade to which the employee is being promoted, the salary to be paid is specifically prescribed by law and regulation, and the agency has no latitude in making a salary determination. However, when previous Federal Service has been at or above the level to which the employee is being promoted, a higher rate may be based on the conditions stated in paragraph 11b. The effect of special rate ranges in determining salary on promotion are discussed in paragraph 11c.

a. Minimum Salary Increase.

(1) Salary on promotion is the lowest step rate of the grade to which an employee is promoted which exceeds the employee's current rate of basic compensation by an amount not less than two within-grade increases of the grade from which promoted, except as provided in paragraph 11a(2). If the addition of two within-grade increases results in a rate between two steps of the higher grade, the employee is paid the salary rate of the higher step.

(2) If the employee is receiving basic compensation at a rate in excess of the maximum rate for the grade before promotion and there is no rate in the higher grade which is at least two within-grade increases above the existing rate, the employee shall receive whichever of the two rates is higher:

(a) The maximum rate of the higher grade.

(b) The employee's existing rate.

b. Salary Increases on Repromotion. Use an employee's highest previous rate earned in the Federal Service, which results in a salary on repromotion that exceeds the minimum salary increase explained in paragraphs 11a(1) and 11a(2) to set salary.

NOTE: In determining an employee's highest previous rate for the purposes of setting the salary rate on repromotion or reemployment, any salary received just prior to the date of removal, reassignment, or demotion from a position for unsatisfactory service or misconduct will not be considered.

c. Effect of Special Rate Ranges.

(1) When an employee in a position without a special rate range is promoted to a position with a special rate range, the employee's proper salary rate shall be determined as follows:

(a) First, the "minimum salary increase" rule in paragraph 11a is applied without regard to the special rate range.

(b) Second, after determining the step rate of the higher grade under the GS, the employee's salary rate is fixed at the corresponding numerical step (e.g., third step) in the special rate range.

(2) When an employee in a position with a special rate range is promoted to a position without a special rate range, set the salary at the lowest step rate of the new GS grade which exceeds the existing rate of basic compensation by two within-grade increases. The existing rate is the rate in the special rate range which was received immediately prior to promotion. If there is no rate in the higher grade of the GS which is at least two within-grade increases above the employee's existing rate, the maximum rate of the higher grade shall be paid,

(3) When an employee is promoted and special rate ranges apply both to the position vacated and the new position, the salary shall be within the special rate ranges.

12. USE OF THE HIGHEST PREVIOUS RATE. When the use of the highest previous rate is optional, such as to set salary on reemployment actions after a break in service, the option if chosen must be documented at the time the personnel action is processed. On a reemployment action, the highest previous rate should be applied. Any exception to using the highest previous rate on reemployment must be noted on the personnel action,

NOTE: Use of the highest rate is encouraged whenever practicable. It shall be applied consistently and equitably.

a. Maximum Payable Rate. In determining the maximum rate of basic pay upon reemployment, reassignment, promotion, demotion, or change in type of appointment, the following rules apply unless the employee is entitled to a higher rate under the mandatory two-step interval for promotions or grade and pay retention provisions.

(1) Find the highest rate of basic pay (expressed as an annual rate) previously earned by the employee.

(2) Using the General Schedule Salary Table in effect at the time the employee earned the highest previous rate, work the pay situation as though it is occurring at the time the highest previous rate was earned. In the grade to which the employee is currently being assigned, set the pay at the step which gives the employee a basic rate of pay equal to or greater than the highest previous rate.

(3) The maximum payable rate is whatever amount that grade equates to on the current General Schedule Salary Table,

b. Verification of Highest Previous Rate. When complete or accurate information on the pay rates formerly received are not available at the time of the personnel action, a statement must be put in the "Remarks" portion of the Notification of Personnel Action, Standard Form (SF-50), to show that the rate of pay has been tentatively fixed pending a determination of the highest previous rate of pay received by the employee in the Federal Government. Where consideration of the employee's highest previous rate is based on an administrative decision, rather than prescribed by rules contained in this order, the statement is the only documented evidence of this decision. In such cases, omitting such a statement from the SF-50 will preclude adjusting the rate of pay to include the highest previous rate until a subsequent personnel action is taken. However, when use of the highest previous rate is prescribed and the quoted statement is omitted as the result of a bona fide administrative error, then the provisions of paragraph 12d will apply.

c. Administrative Error. Where information regarding the highest previous rate is a matter of record at the time a personnel action is effected and, contrary to FAA rule, a lower salary rate is set due to an administrative error, the rate may be retroactively corrected to the original effective date of the personnel action. A statement will be inserted in the "Remarks" portion of the corrected SF-50, or a separate signed statement will be filed which indicates that:

(1) A bona fide administrative error was made.

(2) It was administratively intended that the employee be paid the higher salary rate,

NOTE: Such corrective action is not proper if the employee's file contains a statement indicating that the lower rate was actually intended as a legally permissible exception to FAA rule.

d. Application to Positions for Which a Special Rate Range is Authorized. When an employee's rate of basic pay is a special rate established under section 5303 of title 5, USC, the employee's highest previous rate is the rate to which the employee would have been entitled had the special rate not applied. However, with the prior approval of the OPM, it is permissible to use a special rate as the highest previous rate when:

(1) The employee is reassigned to a position for which no special rate or a lesser special rate has been established,

(2) The services of the employee are necessary and the employee's contribution to the Department of Transportation/Federal Aviation Administration Program will be greater in the position to which the employee is being assigned. This determination will be made within the Office of the Secretary of the Department of Transportation.

### 13. SALARY ON

a. General Rule. As a general rule an employee will be reassigned without change of salary ~~when~~ the reassignment is ~~between~~ positions paid tier the GS.

b. 'Effect of Special Pate Ranges. When an employee is ~~reassigned~~ to, ~~from, or between~~ positions with ~~special~~ rate ranges, the rate shall be set at the ~~numerical~~ step nearest the one the employee was in immediately prior to reassignment.

**NOTE:** If an employee's pay is reduced as a result of placement of the ~~employee~~ into a nonspecial rate ~~position~~, the employee is entitled to pay retention.

14. SALARY ON DEMOTION. Each demotion action should first be checked to see ~~whether~~ or not the employee is eligible for grade or pay retention. If grade or pay retention should not be considered, the following subparagraphs shall ~~apply~~. In no case may an ~~employee's~~ salary be reduced below the ~~lowest~~ step rate of the grade or below any special ~~minimum~~ rate which may have been established for the ~~position~~ to which ~~demoted~~. (Demotions may be subject to compliance with Part 752 of the ~~OPM's~~ regulations ~~for~~ adverse actions.)

**NOTE:** ~~When~~ an employee, not entitled to grade or pay retention, is ~~demoted~~ to a position to which a ~~special~~ rate range applies, the proper step rate shall first be ~~determined~~ without regard to the ~~special~~ rate range. The salary ~~rate is then~~ fixed at the ~~corresponding numerical~~ step in the ~~special~~ rate range.

a. Voluntary Demotion. The rules contained in this subparagraph apply only to ~~demotions~~ "at the employee's request." "Demotion at an employee's request" means a reduction in grade which is initiated by the employee for his/her benefit, ~~convenience,~~ or ~~personal advantage, including~~ consent to a demotion in lieu of ~~one~~ for ~~personal cause, AND~~ which is not ~~caused or~~ influenced by a ~~management~~ action. ~~Demotions~~ resulting from employees exercising return ~~rights~~ are not considered to be "at the ~~employees~~ request" ~~for~~ pay-setting purposes.

(1) General Rule. Except as provided in paragraph 14a(2) or 14a(3), the salary shall be reduced as follows:

(a) ~~When~~ the existing rate immediately prior to demotion is the same as a step rate in the ~~lower~~ grade, the next ~~lower~~ step rate of that ~~grade~~ shall be paid.

(b) When the existing rate falls ~~between two~~ step rates of the ~~lower~~ grade, the lower ~~step~~ shall be paid.

(c) When the existing rate is above the maximum rate of the ~~lower~~ grade, the ~~maximum~~ rate shall be paid.

(2) Special Situations. under certain ~~circumstances~~, an employee may voluntarily request a ~~demotion~~, with the expectation that such demotion will only be temporary and in due course ~~repromotion~~ will occur (e.g., where the employee wishes to acquire status). In such situations, the official ~~responsible~~ for making the salary determination has discretionary authority to set the employee's salary at an ~~appropriate~~ step in the lower grade ~~which takes~~ all the facts of the case into account, ~~including~~ the mandatory ~~two-step~~ increase on promotion or ~~repromotion~~ required by law. In this situation, an employee's pay should be set so that on ~~promotion~~ or ~~repromotion~~ the ~~step~~ rate will not be higher than it was at the time of the voluntary demotion; other than for ~~normal~~ within-grade increases.

(3) Demotion Upon Failure to Complete Training or Probationary Period. This section covers any ~~position specifically~~ covered by an OPM approved training agreement providing for promotion upon successful completion of training; OR any other ~~position~~ for which successful ~~completion~~ of a specified ~~program of training~~ has been ~~formally~~ established as a ~~requirement~~ for satisfactory service in the ~~position~~ or for advancement to the next higher level. Included are:

A demotion requested by an employee after failure to meet training requirements necessary for progression to the next higher grade level of a trainee or ~~developmental~~ position as an air traffic control specialist.

A demotion upon failure to complete the probationary period of a supervisory or managerial position.

**NOTE:** Exceptions to this paragraph must be in accordance with Paragraph 6, ministrative ~~Responsibilities~~.

(4) Rules for setting salaries on demotion actions and establishing waiting periods for ~~within-grade~~ increases under this section are explained in the following situations,

(a) Situation 1. The employee returns to the grade held immediately before the promotion.

1 Salary Determination. ~~Set the salary where it would have been set if the promotion had not occurred, including any within-grade increase to which the employee would have been entitled at the lower grade.~~

2 Waiting Period Determination. After establishing the proper grade and ~~step~~ as in paragraph 14a(3)(a) 1, establish the waiting ~~period~~ for advancement to the next step at the ~~same~~ date it ~~would~~ have been if the ~~promotion~~ had never occurred. ~~Consider~~ any within-grade increases when appropriate.

## EXAMPLE: (Situation 1)

1/3/82 Promoted - GS-11/11 (\$24,508) to GS-12/11 (\$29,374)  
 1/2/83 WIG - GS-12/11 (\$29,374) to GS-12/2 (\$30,353)  
 1/30/83 Promoted - GS-12/2 (\$30,353) to GS-13/11 (\$34,930)  
 1/29/84 WIG - GS-13/11 (\$34,930) to GS-13/2 (\$36,094)  
 2/12/84 Demoted - GS-13/2 (\$36,094) to GS-12/3 (\$31,332)

## EXPLANATIONS: (Situation 1)

Salary. If the employee had never been promoted to the GS-13 grade level, the WIG increase to step 2 of the GS-12 grade level would have been effective on 1/2/83 and the WIG increase to step 3 of the GS-12 would have been effective 1/1/84. Therefore, tier the rules of this section when the employee was downgraded to GS-12 on 2/12/84 the salary was set at the GS-12/3 with consideration of the within-grade increases that would have been granted if the employee had never been promoted.

Waiting Period. If the employee had never been promoted to GS-13, the WIG increase from step 2 to step 3 of the GS-12 would have been effective 1/1/84. Therefore, because the downgrade was effective after 1/1/84, the required waiting period was completed and the employee was immediately entitled to step 3 of the GS-12. The waiting period for the WIG increase to GS-12/4 begins on 1/1/84.

1/3/82 Promoted - GS-11/11 (\$24,508) to GS-12/11 (\$29,374)  
 1/2/83 WIG - GS-12/11 (\$29,374) to GS-12/2 (\$30,353)  
 1/1/84 WIG - GS-12/2 (\$30,353) to GS-12/3 (\$31,332)  
 2/12/84 Employee would have been in GS-12/3 (\$31,332)

(b) Situation 2. The employee is demoted to a grade between the former grade and the grade to which the employee was promoted.

1 Salary Determination. Set the salary as it would have been set if the initial promotion was to the intermediate grade instead of to the higher grade. In selecting the salary step at the intermediate grade, consider within-grade increase(s) the employee would have been entitled to if the initial promotion had been to the intermediate grade instead of the higher grade.

2 Waiting Period Determination. After establishing the proper grade and step in paragraph 14a(3)(b)1, establish the waiting period for advancement to the next step at the same date it would have been if the promotion had been to the intermediate grade. Consider within-grade increases when appropriate.

## EXAMPLE: (Situation 2)

1/10/82 Promoted - GS-9/2 (\$20,931) to GS-11/11 (\$24,508)  
 1/9/83 WIG - GS-11/11 (\$24,508) to GS-11/2 (\$25,325)  
 2/20/83 Demoted - GS-11/2 (\$25,325) to GS-10/2 (\$23,051)

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EXPLANATIONS: (Situation 2))

salary. If the employee had been promoted to **GS-10** rather than **GS-11**, the promotion ~~would~~ have been to ~~GS-10/1~~ on 1/10/82 and a WIG increase to **GS-10/2** ~~would~~ have been granted on 1/9/83. Thus, if the employee had been promoted to **GS-10** rather than **GS-11**, the WIG to **GS-10/2** ~~would~~ have been effective 2/20/83, the date of demotion to **GS-10**. Therefore, the salary is set for **GS-10/2**.

Waiting Period. If the employee had been promoted to **GS-10** rather than ~~GS-11~~, the WIG ~~would~~ have been received on 1/9/83, as follows:

1/10/82 Promoted - ~~GS-9/2~~ (\$20,931) to ~~GS-10/1~~ (\$22,307)  
1/9/83 WIG - ~~GS-10/1~~ (\$22,307) to **GS-10/2** (\$23,051)  
2/20/83 Employee ~~would~~ have been in **GS-10/2** (\$23,051)

The employee was demoted from ~~GS-11~~ to **GS-10** on 2/20/83. If the employee had been promoted to **GS-10** rather than **GS-11**, he/she ~~would~~ have been in **GS-10/2** on 2/20/83, having received a WIG to **GS-10/2** on 1/9/83. Therefore, the employee's waiting period to **GS-10/3** will begin on 1/9/83, the date of the WIG to **GS-10/2**.

(c) Situation 3. The employee is demoted from a grade which is the only grade held within the FAA. For example, the employee's current appointment is to a **GS-7** position from a register. The employee is appointed to a **GS-7** level of the established program. The employee fails to complete required training to stay at the **GS-7** level. The employee is demoted from the **GS-7** to a **GS-5** position.

1 Salary Determination. Set the salary where it would have been set had the employee initially entered the FAA at the lower grade. In selecting the salary step, take into account any within-grade increase(s) that would have been received at the lower grade.

2 Waiting Period & termination. After establishing the proper grade and step as in paragraph 14a(3)(c)1, establish the waiting period for advancement to the next step where it would have been if the employee had entered Federal Service at the lower grade. Consider within-grade increases that would have been applicable.

EXAMPLE: (Situation 3)

1/3/82 Entered Federal Service ~~GS-7/1~~ (\$16,559)  
1/2/83 WIG - ~~GS-7/1~~ (\$16,559) to ~~GS-7/2~~ (\$17,111)  
7/17/83 Demoted - ~~GS-7/2~~ (\$17,111) to ~~GS-6/2~~ (\$15,398)



## EXPLANATIONS: (Situation 3)

salary. If the employee had entered Federal Service at ~~GS-6~~ rather than ~~GS-7~~, he/she ~~would~~ have entered at the ~~GS-6/1~~ step and ~~would~~ have been granted a WIG to ~~GS-6/2~~ on 1/2/83. Therefore, since the employee ~~would~~ have been in ~~GS-6/2~~, this is the proper step for the employee.

Waiting Period. If the employee had entered Federal Service at the lower grade, a WIG ~~would~~ have been received on 1/2/83:

1/3/82 Entered Federal Service ~~GS-6/1~~ (\$14,901)  
 1/2/83 WIG - ~~GS-6/1~~ (\$14,901) to ~~GS-6/2~~ (\$15,398)  
 7/17/83 Employee ~~would~~ have been in ~~GS-6/2~~ (\$15,398)

The employee was demoted to ~~GS-6~~ on 7/17/83. If the employee had entered Federal Service at ~~GS-6~~ rather than ~~GS-7~~, he/she ~~would~~ have been in ~~GS-6/2~~ on 7/17/83, having received a WIG to ~~GS-6/2~~ on 1/2/83. Therefore, the employee's waiting period to ~~GS-6/3~~ will begin on 1/2/83, the date he/she ~~would~~ have received a WIG to ~~GS-6/2~~.

(d) Situation 4. The employee is demoted to a grade which is lower than the grade held before last promotion.

1 Salary Determination. First determine ~~what~~ the salary would have been if ~~that promotion~~ had not occurred. In selecting the salary step, consider ~~within-grade~~ increase(s) that the employee ~~would~~ have been entitled to before the last promotion. Next apply rule (aa), (bb), or (cc), whichever is appropriate.

(aa) If the rate in the grade ~~from~~ which last promoted is the ~~same~~ as a step rate in the ~~grade~~ to which the employee is demoted, the next ~~lower~~ step rate of the grade to which demoted shall be paid.

(bb) If the rate in the grade ~~from~~ which last promoted falls ~~between two~~ step rates of the grade to which demoted, the ~~lower~~ step rate shall be paid.

(cc) If the rate in the grade from which last promoted is above the ~~maximum~~ step rate of the grade to which demoted, the employee shall be paid the ~~maximum~~ step rate of the grade to which demoted.

2 Waiting Period Determination. After establishing the proper grade and ~~step~~ as in paragraph 14a(3)(d) ~~of~~, establish the waiting period for advancement to the next step in the grade to which demoted at the latest date of the following:

(aa) The date of the first promotion to the grade ~~from~~ which demoted.

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(bb) The date of the last within-grade increase following the first promotion and prior to the promotion to the grade from which demoted.

EXAMPLE: (Situation 4)

1/3/82 WIG - GS-9/1 (\$20,256) to GS-9/2 (\$20,931)  
8/19/82 Promotion - GS-9/2 (\$20,931) to GS-10/1 (\$22,307)  
7/17/83 Demotion - GS-10/1 (\$22,307) to GS-8/6 (\$21,394)

salary. If the employee had never been promoted to GS-10, he/she would have received a WIG to GS-9/3 on 1/2/83. On 7/17/83, the date the employee was downgraded from GS-10 to GS-8, he/she would have been in GS-9/3 if he/she had never been promoted. The pay rate for GS-9/3, \$21,606, falls between GS-8/6 (\$21,394) and GS-8/7 (\$22,005). Therefore the employee is placed in GS-8/6 since this rate is the lower of the two rates.

Waiting Period. If the employee had never been promoted to GS-10, he/she would have received a WIG to GS-9/3 on 1/2/83 as follows:

1/3/82 WIG - GS-9/1 (\$20,256) to GS-9/2 (\$20,931)  
1/2/83 WIG - GS-9/2 (\$20,931) to GS-9/3 (\$21,606)  
7/17/83 Employee would have been GS-9/3 (\$21,606)

The employee was demoted to GS-8 on 7/17/83. If the employee had never been promoted to GS-10, the WIG would have been effective 1/2/83. Therefore, the employee's waiting period to GS-8/7 will begin on 1/2/83, the date he/she would have received a WIG to GS-9/3.

(4) Failure to Complete "Supervisory Probation," When an employee fails to complete the probationary period for a supervisory or managerial position and the employee requests a demotion to the grade from which promoted, set the salary where it would have been set if the promotion had not occurred. If the request is for a demotion to an intermediate grade, set the salary at the rate at which it would have been set had the employee been initially promoted to the intermediate grade. Include any within-grade increases that the employee would have been entitled to before promotion to the supervisory or managerial position.

b Career Progression/Enhancement Demotion. When an employee accepts a lower grade position for career progression or career enhancement purposes (including moving from a position with limited advancement potential to a lower grade position with advancement potential) and such a demotion does not entitle the employee to pay retention, the employee's pay will be set in accordance with the rules contained in this subparagraph. The determination as to whether or not a demotion is for career progression or career enhancement purposes will be made by the personnel officer or the personnel officer's designee. Such demotion actions are NOT to be considered "voluntary" nor to have been "initiated by the employee."

(1) Pay-Setting Rules.

(a) If the ~~employee's~~ existing rate of pay is above the top step of the grade to which demoted, the employee's pay will be set at the top step.

(b) If the employee's ~~existing~~ rate of pay falls between two steps of the grade to which demoted, the employee's pay will ~~be~~ set at the higher step.

(c) If the ~~employee's~~ existing rate of pay is the same as one of the steps in the lower grade, the employee's pay will be set at that step.

(2) Examples of Demotion for Career Progression/Enhancement.

(a) The employee lacks and has never had ~~the~~ experience required for a higher level ~~staff, management,~~ or supervisory position. A ~~position~~ which offers the employee an opportunity to get the experience is available ~~under~~ the Writ Promotion Program or Internal Placement Program procedures. In order to gain the experience and subsequently ~~progress,~~ the employee applies for the position ~~and~~ is selected. The move is for career ~~progression~~ or enhancement if:

1 The move is ~~from~~ a nonsupervisory ~~position~~ to a lower grade ~~supervisory position~~ and this type of experience has not been gained by the employee,

2 The move is ~~from~~ a supervisory line ~~position~~ to a staff ~~position~~ at a lower-grade and this type of experience has not been gained by the employee.

(b) The ~~agency~~ initiates a special placement program which involves soliciting applications from employees who will move to lower grade positions. The employee applies ~~and~~ is selected for the program. The move is from one position to another ~~under~~ an agency initiated special placement program.

c. Demotion Following Promotion of Limited Duration. When an ~~employee~~ is restored to a former lower grade ~~position,~~ or another ~~position~~ at the same lower grade following a promotion which was of limited duration, the pay will be set at the rate in the lower grade to which the employee ~~would~~ have been entitled if the ~~promotion~~ had not occurred.

d. Demotion Involving Special Recruitment Problems. When an employee voluntarily requests a demotion to a position with which the FAA is experiencing recruitment problems such as with filling a position requiring special skills ~~and/or~~ experience which is critically needed, or filling a position which has one or more very undesirable features such as ~~being~~

isolated at a remote location, the official responsible for setting the salary may pay the ~~maximum~~ salary ~~permissible~~ under the highest ~~previous~~ rate rule. The employee must have a ~~performance~~ rating of satisfactory or better and the voluntary demotion must enable the ~~FAA~~ to fill the position.

e. ~~Demotion Resulting from Misconduct.~~ When an employee is demoted because of misconduct, the salary rate ~~is~~ established at the same ~~numerical~~ step in the ~~lower~~ grade as was occupied in the higher grade.

f. ~~Demotion of Employees on Grade or Pay Retention.~~ ~~Ademotio~~ as a result of an employee on ~~grade~~ or pay retention declining a "reasonable offer of a position" is ~~to be considered~~ an involuntary demotion for pay-setting purposes. A demotion is also ~~considered~~ involuntary when an employee who is on grade retention elects to terminate grade retention benefits.

15 ~~SALARY ON RESTORATION~~ AFTER MILITARY SERVICE. An employee who is entitled to restoration ~~rights~~ after military service shall be reemployed in one of the ~~following~~ ways :

a. At the ~~grade~~ of the position left to enter military service, at a salary rate which ~~automatically includes~~ any within-grade increases accruing during the absence.

b. If ~~promoted~~ to a higher GS grade while in the military service, at a salary rate which ~~includes~~ any within-grade increases accruing between the date of ~~promotion and~~ restoration to duty.

#### 16. SALARY ON CHANGE BETWEEN PAY SYSTEMS.

a. Employees with reemployment rights under 625(d) of the Foreign Assistance Act of 1961.

(1) When an initial ~~appointment~~ is made to a position under this act, (and no ~~promotion~~ is involved), the employee will normally be paid at the nearest foreign ~~compensation grade~~, which represents his/her former GS rate, plus 5 percent.

(2) The salary will be set by ~~crediting all~~ within-grade increases that would have been received if the employee had ~~remained~~ in the ~~position~~ that the employee left to go to the ~~Agency~~ for International Development (AID) ~~assignment~~, OR the salary will be set at a rate which does not exceed the ~~employee's~~ highest previous rate, whichever is higher. The highest previous rate ~~includes~~ the employee's pay as it was computed ~~under~~ the ~~Foreign Compensation~~ Schedule.

(3) An ~~employee returning from~~ an AID ~~assignment~~ may be entitled to pay retention under the ~~agency's grade~~ and pay retention Order 3550.11 1A.

b. Wage Employees. The following rules govern salary determinations when ~~employees move from positions~~ under the Federal Wage System to GS ~~positions~~.

(1) General Rule. If an employee is not eligible for pay retention, the salary will be ~~set~~ at the ~~lowest~~ step rate of the ~~GS position~~ (except as provided in paragraphs 16b(2) and 16b(3)) that will not result in a loss in the annual rate of basic pay. If there is no salary rate in the ~~GS position assign@~~ that equals or exceeds the existing annual rate of basic pay, the salary will be placed at the ~~maximum~~ step of the grade of the ~~GS position~~.

(2) Special Provisions for ~~Non-Foreign~~ Areas. This policy applies to ~~employees in an nonforeign~~ area (e.g., Alaska, Hawaii, ~~Guan~~, Puerto Rico, etc.) for which a cost-of-living allowance ~~or post~~ differential has been ~~prescribed~~ by the OPM under Part 591, ~~FPM Supplement 990-11~~. In applying the highest previous rate rule when an employee moves from a ~~WG~~ position to a ~~GS~~ position, the cost-of-living allowance or ~~post~~ differential ~~prescribed~~ for the ~~GS~~ position will be added to the basic compensation of the ~~GS~~ position in determining the salary rate to be paid. The ~~maximum~~ basic rate allowable is the step rate which will not result in ~~loss~~ of salary for the employee when the basic rate is increased by the ~~cost-of-living~~ allowance or ~~post~~ differential,

(3) Use of Night Differentials and Environmental Differentials. In calculating the salary of an employee ~~who moves~~, as ~~distinguished from~~ being converted, ~~from~~ the ~~WG~~ to the ~~GS~~ pay system, night differentials and environmental differentials are to be considered part of basic pay for the ~~WG~~ position. ~~Examples~~ provided in appendix 1, items 3 and 4, illustrate a ~~method~~ for ~~establishing~~ the ~~required~~ basic rate of ~~compensation~~ for employees who ~~work rotating shifts~~.

c. Merit Pay System to ~~GS~~. On conversion from the merit pay system to the ~~GS~~, the pay of an employee shall be fixed at the step which has an equal rate of ~~pay~~, except that if the rate of pay ~~prior~~ to conversion falls ~~between~~ two steps of the grade to be ~~converted~~, the employee shall be paid the rate of the higher step.

d. Salary on ~~Reemployment~~ After Transfer to ~~An International Organization~~. Upon reemployment an employee is ~~entitled~~ to the ~~same~~ rate of pay he/she ~~would~~ have been entitled to had he/she remained continuously in the Federal Service.

17. ~~WITHIN-GRADE INCREASES.~~ ~~Employees~~ who occupy permanent ~~positions~~ that are ~~classified~~ and ~~paid~~ under the ~~GS~~ and who have not reached the ~~maximum~~ step of the grade of the position may be granted a within-grade increase as prescribed by section 5335 of title 5, USC.

a. Time Limited Appointment. ~~Employees~~ are not eligible for ~~within-grade~~ increases while serving under a time limited appointment of 1 year or less. Service under this type of ~~appointment~~ would be creditable in the ~~computation~~ of a single ~~waiting~~ period upon conversion to a permanent appointment or upon reemployment in a permanent position following a break in service of ~~52 weeks~~ or less.

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b. Waiting Period. Employees must complete a waiting period as ~~regulated~~ by Code of Federal Regulations 5, section 531.405.

c. Acceptable Level of Competence. Before a within-grade increase can be ~~granted~~, upon completion of the waiting period ~~prescribed~~ by law, a certification must be made that the employee's ~~work~~ is of an acceptable level of competence in ~~accordance~~ with Order 3400.113, General Performance Appraisal System, appendix 4.

d. Equivalent Increase. An "equivalent increase\*" is an increase ~~or~~ increases in salary equal to or greater than the mount of the ~~within-grade~~ increase for the grade in which the employee is serving or last served during the waiting period tier consideration.

(1) An employee may not receive a within-grade increase if he/she has received an "equivalent increase" during the prescribed waiting period. A new waiting period must begin from the effective date of the "equivalent increase."

(2) When an employee receives more than one increase in the rate of basic pay during a waiting period, no one of which is an equivalent increase, the first and subsequent increases during the waiting period shall be ~~added~~ together until they ~~amount~~ to an equivalent increase, at which time the employee shall be deemed to have received an equivalent increase.

**NOTE:** Wage increases received during the waiting period, in a previously held ~~WG~~ position, which resulted from locality ~~surveys~~, are not to be considered in ~~determining~~ whether the employee received an equivalent increase.

(3) ~~Premium compensation~~ for overtime, night, ~~Sunday~~, or holiday duty paid in addition to an employee's basic salary does not constitute an equivalent increase in ~~compensation~~.

(4) Payment of foreign and nonforeign allowances and differentials does not constitute an equivalent increase in compensation.

(5) A "quality increase" (~~i.e.,~~ an extra step increase in recognition of high quality ~~performance~~) does not constitute an equivalent increase in ~~compensation~~.

(6) An increase in compensation resulting from the establishment of higher minimum rates and related schedules for ~~recruitment~~ and retention purposes is not to be considered an equivalent increase.

(7) Statutory pay increases are not to be considered equivalent increases.

(8) Final determinations as to whether an employee has received an "equivalent increase" and therefore must begin a new waiting period will be made by the servicing personnel office.



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APPENDIX 1. PAY-SETTING EXAMPLES AND EXPLANATIONS

1. OBTAINING THE MAXIMUM PAYABLE RATE FOR NON-MERIT PAY EMPLOYEES PAID UNDER THE GS.

January 1974	Highest previous rate, \$21,366.00 per annum (GS-13/2)
January 1974-1980	Break in Federal Service
January 1980	Reemployed as GS-11/1 (highest previous rate rule not applied)
January 1981	Promoted to GS-12/8, \$33,237 per annum (maximum payable rate using the highest previous rate)

a. Step to Maximum Payable Rate.

(1) Use the pay scale that was current in January 1974 (time highest previous rate was earned).

(a) On that pay scale locate the step of the GS-12 (grade to which employee is currently being promoted) which is equal to or greater than the GS-13/2 rate of \$21,366.00. This is step 8 of the GS-12.

(b) Transfer that grade and step to the current pay scale for January 1981.

(2) Use the pay scale that was current in January 1981 (time of promotion action). Identify the rate of basic pay for the GS-12, step 8. This is the maximum rate of basic pay that may be paid the employee.

b. Summary. The maximum rate of basic pay reflects the step determined on the old pay scale and brought forward to the pay scale that is current for the personnel action being processed. The highest previous rate determines the step that will be used. If the dollar amount falls between two steps (on the old scale) of the grade to which the employee is being assigned, the higher of the two is used as the step in the rate (grade and step) that is transferred from the old pay scale to the new pay scale.

2. EXPLANATION OF HIGHEST PREVIOUS RATE EARNED IN A POSITION NOT SUBJECT TO THE GS. The employee worked for the Federal Government in a position subject to a WG Schedule in December 1973. During the same month the employee accepted a GS-7 position with FAA. To determine the employee's highest previous rate, the actual rate earned at the time of Federal Service (in this example, \$7.86 per hour) must be computed on an annual basis (\$16,348.80 per annum). This rate (\$16,348.80) is then compared to the annual rates which were authorized for the GS and in effect at the time of the Federal Service. An equivalent annual rate (i.e., GS grade and step) that is of maximum benefit to the employee is selected. In this example the employee's actual rate of \$16,348.80 per annum fell between two rates within the range of two or more grades under the October 1973 GS; GS-10 (steps 7 and 8) and



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~~GS-11~~ (steps 4 and 5)). An equivalent annual rate (i.e., GS grade and step) that is of maximum benefit to the employee is selected. The maximum benefit derived by the employee would occur by applying the rate for the GS-11, step 5 (\$16,627). • PCs rate (i.e., GS-11, step 5) becomes the "equivalent annual rate" and thus is the employee's highest previous rate.

This equivalent annual rate (i.e., grade and step) is then compared to the 1973 GS rates in effect at that time for that grade and step, and the employee's salary is set so that it reflects the current dollar value for the employee's highest previous rate; i.e., the grade and step selected as the highest previous rate. Since this rate exceeded the rate for the highest step (\$12,957) of GS-7 (the grade at which the employee had accepted employment with FAA), the employee's salary was set at step 10 of GS-7.

In December 1974, the employee was promoted to a GS-9 position. Upon promotion, the employee's highest previous rate (GS-11, step 5) must be converted under the 1974 GS rates that became effective on October 13, 1974, to \$17,545. Because this equivalent annual rate (i.e., GS-11, step 5) exceeded the rate for the highest step of the GS-9 grade (\$16,693), the employee's salary was set at step 10 of the GS-9 grade.

In December 1975, the employee was promoted to a GS-11 position. Upon promotion to the GS-11 position, the employee's highest previous rate (GS-11, step 5) must be converted under the 1975 GS rates that became effective on October 12, 1975, to \$18,423. The employee's pay is set at GS-11, step 5 (\$18,423); at this point the employee has caught up with his/her highest previous rate and has received the minimum two-step salary increase required upon promotion. Subsequent pay for promotion actions (e.g., to GS-12) would be set by applying the minimum two-step salary increase requirement.

3. TOTAL NIGHT DIFFERENTIAL, RECEIVED BY A WG EMPLOYEE WHO MOVES TO A GS POSITION. An employee's most recent complete cyclic schedule involves a 35-day period. The employee is actually scheduled to work a total of 25 days out of the 35-day cycle. The employee works:

- a. Five shifts from 10:00 a.m. to 6:30 p.m.
- b. Seven shifts from 3:00 a.m. to 11:30 p.m.
- c. Six shifts from 8:00 a.m. to 4:30 p.m.
- d. Seven shifts from 11:00 p.m. to 7:30 a.m.

Of the 25 shifts actually worked, the employee worked 7 evening shifts, which are compensable at the 7 1/2-percent differential, and 7 midnight shifts, which are compensable at the 10 percent differential. The remaining 11 shifts are worked during times when a majority of the hours worked did not fall between the hours for which a night differential is payable.

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Annualizing the time worked on the evening shift results in the employee working  $7/25 \times 2,080$  hours = 582.4 hours. Assuming a scheduled rate of \$9.00 per hour, the employee for evening shifts is entitled to a 7 1/2 percent night differential (7 1/2 percent of \$9.00 = \$.675). Therefore, the employee's evening shift differential can be determined as 582.4 hours x \$.675 or \$393.12.

Annualizing the time worked on the midshift results in the employee working  $7/25 \times 2,080$  hours = 582.4 hours. Assuming a scheduled rate of \$9.00 per hour, the employee for midshifts is entitled to a 10 percent night differential (10 percent of \$9.00 = \$.90). Therefore, the midshift differential can be determined as 582.4 hours x \$.90 = \$524.16.

The employee's total night differential of \$917.28 (\$393.12 + \$524.16) is added to the employee's scheduled rate of pay of \$18,720 (\$9.00/hour x 2,080 hours) to arrive at the employee's rate of basic pay \$19,637.28 (\$917.28 + \$18,720). The employee's rate of basic pay of \$19,637.28 is the correct rate to use in determining the proper step in the GS grade at which to set the employee's salary when the employee moves to the GS position.

NOTE: Employees who are excused from work on a holiday should be considered to have worked whatever shift they would have worked had they not been excused.

4. TOTAL NIGHT AND ENVIRONMENTAL DIFFERENTIAL RECEIVED BY A WG EMPLOYEE WHO MOVES TO A GS POSITION. An employee's most recent complete cyclic schedule involves a 35-day period. The employee is actually scheduled to work a total of 25 days out of the 35-day cycle. The employee works:

- a. Five shifts from 10:00 a.m. to 6:30 p.m.
- b. Seven shifts from 3:00 p.m. to 11:30 p.m.
- c. Six shifts from 8:00 a.m. to 4:30 p.m.
- d. Seven shifts from 11:00 p.m. to 7:30 a.m.

Night Differential. Of the 25 shifts actually worked, the employee worked 7 evening shifts, which are compensable at the 7 1/2 percent differential, and 7 midshifts, which are compensable at the 10 percent differential. The remaining 11 shifts are worked during times when a majority of the hours worked did not fall between the hours for which a night differential is payable.

Annualizing the time worked on the evening shift results in the employee working  $7/25 \times 2,080$  hours = 582.4 hours. Assuming a scheduled rate of \$9.00 per hour, the employee for evening shifts is entitled to a 7 1/2 percent night differential (7 1/2 percent of \$9.00 = \$.675). Therefore, the employee's evening shift differential can be determined as 582.4 hours x \$.675 or \$393.12.

Annualizing the time ~~worked~~ on the ~~midshift~~ results in the employee ~~working~~  $7/25 \times 2,080$  hours = 582.4 hours. Assuming a scheduled rate of \$9.00 per hours, the employee for midshifts is entitled to a 10 percent night differential (10 percent of \$9.00 = \$.90). Therefore, the ~~midshift~~ differential can be determined as 582.4 hours x \$.90 = \$524.16.

NOTE: Employees who are excused from ~~work~~ on a holiday should be considered to have ~~worked~~ whatever shift they ~~would~~ have ~~worked~~ had they not been excused.

Environmental Differential. During the 25 shifts actually worked, the employee was ~~exposed~~ to situations for which a differential is authorized under part I, appendix J, of FPM Supplement 532-11 as follows:

<u>Day</u>	<u>Period of Exposure</u>	<u>Differential Rate</u>	<u>Differential Earned</u>
Monday	8:00 a.m. - 8:30 a.m.	4 percent	1 hour at 4 percent
	8:50 a.m. - 9:00 a.m.	4 percent	0 (second exposure in same hour)
	9:10 a.m. - 9:15 a.m.	4 percent	1 hour at 25 percent (pay for an hour at higher rate)
	9:55 a.m. - 10:00 a.m.	25 percent	
	10:20 a.m. - 11:40 a.m.	25 percent	1 1/2 hours at 25 percent (paid in multiples of 15 minutes for exposure beyond 1 hour)
	1:00 p.m. - 1:05 p.m.	4 percent	1 hour at 25 percent (see following)
	1:55 p.m. - 2:10 p.m.	25 percent	15 minutes at 25 percent (Continuation of preceding hour) *
	2:14 p.m. - 2:20 p.m.	4 percent	15 minutes at 25 percent

\*(Continuation of preceding hour: paid at highest differential rate when more than one exposure occurs during a continuous period of time. See paragraph 328 of Order 3550.10, Pay Administration (General), for additional clarification).

Differential earned during this period is based on a total of 1 hour of exposure at 4 percent rate, and 4 hours of exposure at 25 percent rate. The total number of hours worked by the employee during his most recent complete cyclic schedule is 8 hours x 25 shifts = 200 hours.

Annualizing the time ~~worked~~ at the rate of 4 percent results in the employee working  $1/200 \times 2,080$  hours = 10.4 hours. Similarly, annualizing the time ~~worked~~ at a rate of 25 percent results in the employee working  $4/200 \times 2,080$  hours = 41.6 hours.

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Four percent (differential) x (~~WG-10~~, Step 2; on the current regular ~~Nonsupervisory~~ Wage Schedule for the area) = cents-per-hour amount to be paid. Assuming a scheduled rate of \$4.22 per hour, for ~~WG-10~~, step 2, the employee is entitled to a differential amount of \$1.77 (4 percent of \$4.22).. Similarly, where a 25 percent differential is authorized and assuming a scheduled rate of \$4.22 per hour for ~~WG-10~~, step 2, the employee is entitled to a differential amount of \$1.06 (25 percent of \$4.22)..

The employee's environmental shift differential at a differential rate of 4 percent can be determined as 10.4 hours x \$.17 or \$1.77.. The environmental shift differential at a differential rate of 25 percent can be determined as 41.6 hours x \$1.06 or \$44.10.

The employee's total environmental differential of \$45.87 (\$44.10 + \$1.77) is added to the employee's scheduled rate of pay of \$18,720 (\$9.00/hour x 2,080 hours) plus total night differential of \$917.28 (\$393.12 + \$524.16) to arrive at the employee's rate of basic pay of \$19,683.15 (\$45.87 + \$917.28 + \$18,720).. The employee's rate of basic pay of \$19,683.15 is the correct rate to use in determining the proper step in the GS grade at which to set the employee's salary when the employee moves to the GS position.

# ORDER

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PAY UNDER THE ~~GENERAL~~ SCHEDULE



January 15, 1985

## DEPARTMENT OF TRANSPORTATION FEDERAL **AVIATION** ADMINISTRATION

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